
FORM OF
UNALLOCATED SHARES ESCROW AGENT AGREEMENT
(for shares not allocated between the Foundations)

by and between

[NEW PREMIERA CORP.]
a Washington corporation,

[WASHINGTON FOUNDATION SHAREHOLDER],
a Washington nonprofit corporation,

[ALASKA HEALTH FOUNDATION],
an Alaska nonprofit corporation,

and

the [UNALLOCATED SHARES ESCROW AGENT],
a _____ corporation.

Dated as of _____

UNALLOCATED SHARES ESCROW AGENT AGREEMENT
(for shares not allocated between foundations)

This Unallocated Shares Escrow Agent Agreement (this “**Agreement**”) is made and entered into as of the _____ day of _____, by and between [Washington Foundation Shareholder], a Washington nonprofit corporation (“**Washington Foundation Shareholder**”), [Alaska Health Foundation], an Alaska nonprofit corporation (“**Alaska Health Foundation**”), [New PREMERA Corp.], a Washington corporation (the “**Company**”), and the [Escrow Agent], a _____ corporation, as share escrow agent (the “**Unallocated Shares Escrow Agent**”).

RECITALS

WHEREAS, the Company will convert from a nonprofit to a stock corporation and become a licensee of the Blue Cross and Blue Shield Association (the “**BCBSA**”) upon consummation of the series of transactions contemplated by the Plan of Conversion (the “**Plan of Conversion**”) attached as Exhibit A-4 to the Statement Regarding the Acquisition of Control of a Domestic Health Carrier and a Domestic Insurer which was filed by PREMERA (as defined below) on behalf of the Company with the Insurance Commissioner of the State of Washington, the Attorney General of the State of Washington, the Alaska Division of Insurance and the Oregon Insurance Division on September 17, 2002, as subsequently amended by filings on October 25, 2002 and February 5, 2004 (the “**Form A Statement**”);

WHEREAS, pursuant to the terms of the Plan of Conversion and that certain Transfer, Grant and Loan Agreement made contemporaneous herewith (the “**Transfer Agreement**”), by and among the Company; PREMERA, a Washington nonprofit corporation (“**PREMERA**”); Washington Foundation Shareholder and Alaska Health Foundation (collectively, the “**Foundations**”), the Foundations acquired, contemporaneously with the execution of this Agreement, beneficial ownership of _____ shares of common stock, no par value per share, of the Company, representing 100% of the issued and outstanding shares of the Company (the “**Common Shares**”) at the time of acquisition, immediately prior to the Company’s initial public offering (the “**IPO**”), such shares to be held and sold pursuant to two Voting Trust and Divestiture Agreements contemporaneous herewith, each by and among the Company, one of the Foundations, and the trustees named therein (each, a “**Voting Trustee**”; collectively the “**Voting Trustees**”) (each such agreement, a “**Voting Trust Agreement**”; collectively, the “**Voting Trust Agreements**”) and that certain Registration Rights Agreement contemporaneous herewith by and among the Company and the Foundations (the “**Registration Rights Agreement**”);

WHEREAS, the States of Washington and Alaska (collectively, the “**States**”) have not yet reached a final agreement regarding the percentage of Common Shares to be allocated to the Washington Foundation Shareholder and to the Alaska Health Foundation , respectively;

WHEREAS, the Company and the Foundations desire to provide for the escrow of the Common Shares that have not been allocated from time to time by agreement of the States

(the “**Unallocated Common Shares**”) until such time as the States reach agreement on the allocation between the Foundations;

WHEREAS, the Unallocated Shares Escrow Agent has agreed to act as share escrow agent for the Company in connection with the Unallocated Common Shares.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Capitalized Terms. All capitalized terms used but not defined herein have their respective meanings as set forth in the Articles of Incorporation of the Company (the “**Articles**”).

Section 2. Unallocated Common Shares Escrow. In the event the States do not agree on the allocation of all or any portion of the Common Shares between the Foundations, or, the States having agreed, the Company is precluded from delivering the Common Shares to the Foundations, the Company shall deposit the Unallocated Common Shares with the Unallocated Shares Escrow Agent to be held and administered under this Agreement. The Unallocated Shares Escrow Agent shall release the Unallocated Common Shares and any proceeds from the sale thereof, and investment income thereon as invested and reinvested, to the Foundations upon receipt of instructions jointly signed by the Foundations’ respective duly authorized representatives, and delivered to the Company and the Unallocated Shares Escrow Agent. Upon receipt of jointly written instructions from the Foundations regarding allocation of the Unallocated Common Shares, the Escrow Agent shall deliver the certificate(s) for the Unallocated Common Shares to the Company for reissue in appropriate amounts pursuant to such agreed allocation. In such event, the Company shall: (i) deposit such reissued certificates with the Voting Trustee of the Voting Trust Agreement for each Foundation, (ii) reissue certificate(s) for such part thereof to Permitted Transferee(s) as to Unallocated Common Shares that have been sold pursuant to jointly written instructions from the Foundations, the terms hereof, the Articles, and the Registration Rights Agreement, or (iii) reissue certificates to the Foundation(s) for such Unallocated Common Shares that may be held directly by the respective Foundation outside of the Voting Trust pursuant to the terms of the applicable Voting Trust Agreement. In the event the Foundations do not participate in the IPO as selling shareholders to the extent of ten percent (10%) of their aggregate shares of Common Stock), consisting of Common Stock held by the Voting Trustees under the Voting Trusts, Unallocated Common Shares, and Common Shares registered in the name of either Foundation (the “**Minimum IPO Participation**”), upon written notice from the Company, the Unallocated Shares Escrow Agent shall sell, for the benefit of the Foundations, the number of Unallocated Common Shares as a selling shareholder in the IPO to the extent necessary to achieve the Minimum IPO Participation. So long as held hereunder, the Unallocated Shares Escrow Agent shall be deemed to be record holder of all Unallocated Common Shares. The Unallocated Shares Escrow Agent is hereby authorized and directed by the Company and the Foundations to execute any and all documents sufficient to transfer title to any Permitted Transferee, even in the absence of receipt of certificate(s) representing Unallocated Common Shares.

Section 3. Unallocated Common Share Dividends Escrow. The Unallocated Shares Escrow Agent, as record holder of all Unallocated Common Shares, is entitled to receive all of the dividends from the Unallocated Common Shares as may be declared by the Board of Directors (the “**Unallocated Common Share Dividends**”) and shall hold all Unallocated Common Share Dividends for the benefit of the Foundations until disbursed in accordance with the provisions of Section 7. The Unallocated Shares Escrow Agent also agrees to hold in escrow, subject to the provisions of this Agreement, any amounts it receives in respect of Unallocated Common Share Dividends.

Section 4. Liquidation of the Company. In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Company, the Unallocated Shares Escrow Agent shall be entitled (i) to receive, ratably with each other holder of Capital Stock of the same class or series, that portion of the assets of the Company that is available for distribution to the holders of such class or series of Capital Stock and (ii) to hold in escrow any assets it receives from the Company in respect of the Unallocated Common Shares. The Unallocated Shares Escrow Agent will distribute the assets received upon such liquidation as follows: (a) first, to the Unallocated Shares Escrow Agent for any costs and expenses incurred in respect of its administration of the Unallocated Common Shares that have not theretofore been reimbursed by the Foundations; (b) second, to the Company for all costs and expenses incurred by the Company in connection with the appointment of the Unallocated Shares Escrow Agent, the payment of fees to the Unallocated Shares Escrow Agent with respect to the services provided by the Unallocated Shares Escrow Agent in respect of the escrow and for any other direct or indirect and out of pocket expenses incurred by the Company in connection with the Unallocated Common Shares, including any litigation costs and expenses, and all funds expended by the Company to reimburse the Unallocated Shares Escrow Agent for costs and expenses incurred by the Unallocated Shares Escrow Agent in respect of its administration of the Unallocated Common Shares and for all fees, disbursements and expenses incurred by the Unallocated Shares Escrow Agent in connection with the sale of the Unallocated Common Shares; and (c) third, the remainder thereof to the Foundations according to written instructions signed by both Foundations and provided to the Company and the Unallocated Shares Escrow Agent; *provided, however*, that if the Foundations do not provide the Unallocated Shares Escrow Agent with written instructions as to how such remaining assets are to be distributed to the Foundations, the Unallocated Shares Escrow Agent may exercise its right to commence an interpleader action under Section 16(g) hereof, or any other right of the Unallocated Shares Escrow Agent as provided herein. If the Unallocated Shares Escrow Agent shall have any questions as to whether any security interest or other interest adverse to a Foundation shall have existed with respect to any Unallocated Common Shares, the Unallocated Shares Escrow Agent shall not be obligated to disburse any of the assets of the Company attributable for those shares until the Unallocated Shares Escrow Agent is provided with such evidence as the Unallocated Shares Escrow Agent shall deem necessary to determine the parties who shall be entitled to such assets.

Section 5. Voting of Unallocated Common Shares. (a) With respect to all Unallocated Common Shares, the Unallocated Shares Escrow Agent shall have the exclusive and absolute right in respect of such Unallocated Common Shares to vote, assent or consent such Unallocated Common Shares at all times during which such shares constitute Unallocated Common Shares,

subject to Section 5(b) hereof, including, without limitation, the right to vote at any election of directors and in favor of or in opposition to any resolution, dissolution, liquidation, merger or consolidation of the Company, any sale of all or substantially all of the Company's assets, any issuance or authorization of securities, or any amendment to the Company's Articles or Bylaws or any other action of any character whatsoever which may be presented at any meeting or require the consent of the shareholders of the Company.

(b) In exercising the Unallocated Shares Escrow Agent's powers and duties under Section 5(a) hereof, subject to Section 5(c), the Unallocated Shares Escrow Agent shall at all times vote, assent or consent as follows:

(i) if the matter concerned is the election of directors of the Company, the Unallocated Shares Escrow Agent shall vote, assent or consent the whole number of the Unallocated Common Shares (x) in favor of each nominee to the Board of Directors whose nomination has been approved by an Independent Board Majority (as defined in the Voting Trust Agreements) and vote against any candidate for the Board of Directors for whom no competing candidate has been nominated, selected or approved by an Independent Board Majority; and (y) if the nomination of a nominee has not been approved by an Independent Board Majority, in favor of such nominee if such nominee has been nominated by the Board of Directors in the manner provided in Section 5.03(b)(i) of the Voting Trust Agreements;

(ii) unless such action is initiated by or with the consent of an Independent Board Majority, the Unallocated Shares Escrow Agent shall vote the Unallocated Common Shares against removal of any director of the Company;

(iii) if the matter concerned is (x) an employee compensation plan (other than the approval of the Initial Equity Incentive Plan (as defined in the Voting Trust Agreements), as to which all Common Shares held by the Unallocated Shares Escrow Agent shall be voted in accordance with the recommendation of the Independent Board Majority, or a subsequent amendment to said Initial Equity Incentive Plan or any new Stock-Based Program (as defined in Exhibit G-10 to the Form A Statement) that would be effective during the Stock Restriction Period (as defined in Exhibit G-10 to the Form A Statement), provided that such new Stock-Based Program shall not have been submitted to a shareholder vote for approval prior to the date which is twelve (12) months prior to the end of the Stock Restriction Period, as to which all Common Shares held by the Unallocated Shares Escrow Agent shall be voted in accordance with Section 5(b)(iv) below) for which stockholder approval is sought or (y) a precatory stockholder proposal (*i.e.*, advisory proposals made by a stockholder of the Company pursuant to Rule 14a-8 promulgated under the Exchange Act (as defined in the Voting Trust Agreements) (or in any successor provision) that merely recommended or requested that the Board of Directors or the Company take certain action), the Unallocated Shares Escrow Agent shall vote the Unallocated Common Shares in the same proportions as the shares voted by all holders of common stock other than shares voted (i) pursuant to the Voting Trust Agreements, (ii) by the Foundations, and (iii) by directors, officers, trustees of any employee benefit plans of the Company and other Affiliates of the Company (whether acting in their individual ownership or fiduciary capacities or pursuant to a discretionary proxy (other than any revocable proxy given by a stockholder other than a director, officer, trustee of any Company employee benefit plan or

other Affiliate (as defined in the Voting Trust Agreements) of the Company in response to a solicitation of proxies by the Board of Directors of the Company) or other discretionary delegation of the right to direct the voting of another stockholder's shares of Capital Stock);

(iv) if the matter concerned is an Approved Change of Control Proposal, a subsequent amendment to the Initial Equity Incentive Plan or any new Stock-Based Program that would be effective during the Stock Restriction Period; provided, that any such new Stock-Based Program shall not have been submitted to a shareholder vote for approval prior to the date which is twelve (12) months prior to the end of the Stock Restriction Period, the Unallocated Shares Escrow Agent shall vote the Unallocated Common Shares in total or in proportions as directed by the joint written instruction of the Foundations; and

(v) to the extent not otherwise covered by clauses (i) through (iv), and if the Foundations do not give timely joint written instruction under clause (iv), the Unallocated Shares Escrow Agent shall vote in accordance with the recommendation of the Independent Board Majority.

(c) The Unallocated Shares Escrow Agent shall ensure that the Unallocated Common Shares counted as being present for the purposes of any quorum required for shareholder action of the Company and, to vote, assent or consent as set forth in Section 5 hereof so long as the Unallocated Shares Escrow Agent (i) has reasonable notice of the time to vote, assent or consent (and the Unallocated Shares Escrow Agent shall be deemed to have reasonable notice if it shall receive notice within the time periods under the applicable provisions for shareholder notice in the Articles or Bylaws, or, if not specified therein, the Revised Code of Washington), or (ii) has waived such notice.

(d) The Company shall provide the Unallocated Shares Escrow Agent with the information necessary for the Unallocated Shares Escrow Agent to determine how to vote the Unallocated Common Shares pursuant to this Section 5.

Section 6. Sales of Unallocated Common Shares. In the event that the Foundations fail to meet a Divestiture Deadline (as defined in the Voting Trust Agreements) or any permitted extension thereof, a portion of the Unallocated Common Shares necessary to meet the Divestiture Deadline will become Delinquent Shares (as defined in the Voting Trust Agreements). Within ten (10) business days after such Divestiture Deadline, the Company shall provide a list to the Foundations of three (3) institutions, none of which shall be an Affiliate of the Company or either of the Foundations, none of which shall have had any business relationship with the Company or its Affiliates (other than in the capacity as Sales Agent (as defined below) pursuant to this Agreement) for the previous five (5) years, each constituting a nationally known investment banking firm that provides research coverage of participants in the HMO/managed care industry and makes a market in the Common Shares, and each providing a quotation of its fee for services as Sales Agent hereunder. Within ten (10) business days after delivery of such list, the Foundations, acting jointly, shall select one institution (the "**Sales Agent**") from such list. If the Foundations fail to jointly select a Sales Agent, the Company shall promptly select the institution to act as the Sales Agent. The Sales Agent, the Foundations and the Company shall enter into an agreement within fifteen (15) days after selection of the Sales

Agent providing for the payment to the Sales Agent by the Foundations of a reasonable fee for the services to be rendered by it and reimbursement to the Sales Agent by the Foundations of its reasonable expenses, and addressing the other applicable matters set forth in this Section 6. The Sales Agent shall arrange for the sale of the Delinquent Shares in as prompt a manner as shall be commercially reasonable under the circumstances (giving effect to, among other things, market conditions and related matters). Subject to the foregoing, the Sales Agent and the Company shall have no liability to the Foundations and any other Person on the grounds that the Sales Agent failed to take actions that could have produced higher proceeds for the sale of the Delinquent Shares. The Foundations, the Company and the Unallocated Shares Escrow Agent shall promptly take all action reasonably requested by the Sales Agent to facilitate the sale of the Delinquent Shares, and the Sales Agent (or the transferee of the Delinquent Shares) shall be entitled to receive customary representations and warranties from the Foundations and the Unallocated Shares Escrow Agent regarding the Delinquent Shares (including, without limitation, representations regarding good title to such shares, free and clear of all liens, claims, security interests and other encumbrances). The Sales Agent shall, to the extent permitted by law, also be entitled to receive such indemnification from the Foundations as is normal and customary in similar circumstances. Until sold, the Delinquent Shares shall be voted in accordance with the recommendation of the Independent Board Majority on all matters. Upon the sale of the Delinquent Shares, the Unallocated Shares Escrow Agent shall deliver the shares to the purchaser thereof as directed by the Sales Agent, and all proceeds from such sale, less the agreed upon fees and expense reimbursement of the Sales Agent, shall be remain subject to this Agreement and be invested in accordance with the provisions of Section 11. The periods of time set forth in this Section 6 may be extended at any time by mutual written agreement of the Company and the Foundations and notice to the Unallocated Shares Escrow Agent.

Section 7. Distributions From Unallocated Common Shares Sold and Dividends from Unallocated Common Shares. The proceeds from the sale of the Unallocated Common Shares to a Permitted Transferee and any Unallocated Common Share Dividends shall be distributed as follows: (a) first, to the Unallocated Shares Escrow Agent for any costs and expenses incurred in respect of its administration of the Unallocated Common Shares that have not theretofore been reimbursed by the Company; (b) second, to the Company for all costs and expenses incurred by the Company in connection with the appointment of the Unallocated Shares Escrow Agent, the payment of fees to the Unallocated Shares Escrow Agent with respect to the services provided by the Unallocated Shares Escrow Agent in respect of the escrow and for any other direct or indirect and out of pocket expenses incurred by the Company in connection with the Unallocated Common Shares, including any litigation costs and expenses, and all funds expended by the Company to reimburse the Unallocated Shares Escrow Agent for costs and expenses incurred by the Unallocated Shares Escrow Agent in respect of its administration of the Unallocated Common Shares and for all fees, disbursements and expenses incurred by the Unallocated Shares Escrow Agent in connection with the sale of the Unallocated Common Shares; and (c) third, the remainder thereof (as the case may be) shall be held by the Unallocated Shares Escrow Agent and invested and reinvested in accordance with Section 11 until distributed as provided in this Agreement; *provided, however*, if the Company shall have any questions as to whether any security interest or other interest adverse to the Foundations shall have existed with respect to any Unallocated Common Shares, neither the Unallocated Shares Escrow Agent, the Company nor anyone else shall have the obligation to disburse proceeds for those shares until the

Unallocated Shares Escrow Agent is provided with such evidence as the Company shall deem necessary to determine the parties who shall be entitled to such proceeds.

Section 8. Escrow Account. The Unallocated Shares Escrow Agent shall maintain an escrow account designated as [New PREMIERA Corp.] - Unallocated Shares Escrow Account (the “**Escrow Account**”). The Unallocated Shares Escrow Agent shall deposit all checks and other payments received from the Company, Foundations or other Persons pursuant to this Agreement into the Escrow Account.

Section 9. Deposit of Funds.

(a) The Company will direct each Permitted Transferee to make payment by (i) delivery to the Unallocated Shares Escrow Agent of a personal, certified or official bank check, and made payable to “[Unallocated Shares Escrow Agent] for [New PREMIERA Corp.] - Unallocated Shares Escrow Account” or (ii) a wire transfer of immediately available funds to the Escrow Account pursuant to instructions to be agreed to by the parties.

(b) The Unallocated Shares Escrow Agent will promptly notify the Foundations and the Company of the deposit of any funds into the Escrow Account.

Section 10. Termination Date. Subject to the rights of the Unallocated Shares Escrow Agent under Sections 13 and Section 21 hereof, which shall continue beyond the termination of this Agreement, this Agreement shall terminate upon the joint written notice from the Foundations and the Company to the Unallocated Shares Escrow Agent to such effect.

Section 11. Investment of Escrow Property. The Unallocated Shares Escrow Agent shall invest any funds that are held in the Escrow Account from time to time as the Foundations jointly direct; *provided, however*, that investments may only be made in (i) obligations of the U.S. government or obligations guaranteed by the United States government, (ii) certificates of deposit issued by any bank insured by the Federal Deposit Insurance Corporation or similar governmental agency, (iii) repurchase agreements with any bank, trust company or national banking association and (iv) any money market fund, substantially all of which is invested in the foregoing categories. If the Foundations do not provide joint directions as to how the Unallocated Shares Escrow Agent with directions as to how to invest the funds, the Unallocated Shares Escrow Agent shall invest the funds in investments described in (iv) above. The Unallocated Shares Escrow Agent and its affiliates may act as agent, principal sponsor, or depository with respect to any such investment. The Unallocated Shares Escrow Agent shall in no event be liable for any loss resulting from the performance of any funds invested pursuant to this Section 11. Interest on proceeds invested pursuant to this Section 11 shall accrue from the date of investment of such proceeds until the termination of such investment pursuant to the terms hereof and shall be paid as set forth in Section 7 hereof and shall be taxable to the Foundations. Neither the Unallocated Shares Escrow Agent nor the Company shall not have any obligations with respect to any tax obligations that may arise under this Section 11.

Section 12. Collections. The Unallocated Shares Escrow Agent shall be under no duty or responsibility to enforce collection of any checks or other instruments delivered to the

Unallocated Shares Escrow Agent hereunder. The Unallocated Shares Escrow Agent shall promptly notify the Company if any check or instrument received from any Permitted Transferee shall be dishonored, not accepted or paid, or otherwise uncollectible. The Unallocated Shares Escrow Agent may recover any costs or expenses incurred in connection with such transaction from the applicable Permitted Transferee.

Section 13. Fees. The Unallocated Shares Escrow Agent shall provide all administrative and reporting services contemplated by this Agreement. The Foundations shall pay the Unallocated Shares Escrow Agent's reasonable fees and expenses as incurred. The Unallocated Shares Escrow Agent shall send the Foundations a final invoice after closing of the escrow covering all out-of-pocket expenses or any other extraordinary services rendered.

Section 14. Consultation with Counsel. The Unallocated Shares Escrow Agent may consult with legal counsel, at the expense of the Foundations (which expense shall be reasonable), in the event of any dispute or question as to the consideration of the foregoing instructions or the Unallocated Shares Escrow Agent's duties hereunder, and the Unallocated Shares Escrow Agent shall incur no liability and shall be fully protected in acting in good faith in accordance with the opinion or advice of such counsel.

Section 15. Notices. All notices, consents, requests, demands and other communications hereunder shall be in writing, and shall be deemed to have been duly given or made: (i) when delivered in person, (ii) three (3) days after deposited in the United States mail, first class postage prepaid, (iii) in the case of telegraph or overnight courier services, one (1) business day after delivery to the telegraph company or overnight courier service with payment provided, or (iv) in the case of telex or telecopy or fax, when sent, verification received; in each case addressed as follows:

(a) If to the Company, to:

[New PREMIER Corp.]
P.O. Box 327
Mail Stop 316
Seattle, Washington 98111
Attention: John P. Domeika,
Senior Vice President and General Counsel
Facsimile: (425) 670-5267

(b) if to the Unallocated Shares Escrow Agent:

Attention: _____
Facsimile: _____

(c) if to the Washington Foundation Shareholder:

Attention: _____
Facsimile: _____

(d) if to the Alaska Health Foundation:

Attention: _____
Facsimile: _____

Section 16. Limited Duties.

(a) The duties and responsibilities of the Unallocated Shares Escrow Agent shall be limited to those expressly set forth in this Agreement; *provided, however*, that this Agreement may be amended at any time or times by an instrument in writing signed by all the then parties in interest.

(b) The Unallocated Shares Escrow Agent is authorized, in its sole discretion, to disregard any and all notices or instructions given by any Person except only such notices or instructions provided by the Foundations and/or the Company as provided herein or an order or process of any court entered or issued with or without jurisdiction. If any property subject hereto is at any time attached, garnished or levied upon under any court order or in case any order, judgment or decree which the Unallocated Shares Escrow Agent is advised by legal counsel of its own choosing is binding upon it, and further, if the Unallocated Shares Escrow Agent complies with any such order, writ, judgment or decree it shall not be liable to the Company or to any other Person by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

(c) The Unallocated Shares Escrow Agent shall not be responsible for the sufficiency or accuracy of the form, execution, validity or genuineness of documents, or securities now or hereafter deposited hereunder, or of an endorsement thereon, or for any lack of endorsement thereon, for any description therein, nor shall the Unallocated Shares Escrow Agent be responsible or liable in any respect on account of the authority or rights of the Persons executing or delivering or purporting to execute or deliver any such document, security or endorsement.

(d) The Unallocated Shares Escrow Agent shall not be responsible in any manner whatsoever for the recitals made herein. It is the intention of the parties hereto that the

Unallocated Shares Escrow Agent shall not be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any rights and powers hereunder.

(e) The Unallocated Shares Escrow Agent is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of, any other agreement or undertaking between the Company, the Foundations and other Persons, and the Unallocated Shares Escrow Agent is to give consideration only to the terms and provisions of this Agreement and, to the extent referred to herein, the Articles. The Unallocated Shares Escrow Agent's only duties hereunder are to safeguard the Unallocated Common Shares and any monies held in escrow, to vote such shares as provided herein and to dispose of and deliver the same in accordance with this Agreement and, to the extent referred to herein, the Articles. If the Unallocated Shares Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Unallocated Shares Escrow Agent shall be obligated in making such determination, only to exercise reasonable care and diligence, and, in the event of error in making such determination, the Unallocated Shares Escrow Agent shall be liable only for its own intentional misconduct or grossly negligent conduct, and it shall, accordingly, not incur any such liability with respect to any action taken or omitted in good faith upon advice of its counsel given in respect to any questions relating to the duties and responsibilities of the Unallocated Shares Escrow Agent under this Agreement. In determining the occurrence of any such event or contingency, the Unallocated Shares Escrow Agent may request from the Company or any other Person such additional evidence as the Unallocated Shares Escrow Agent in its sole discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency and, in this connection, may inquire and consult with its counsel and, among others, with the Company at any time, and the Unallocated Shares Escrow Agent shall not be liable for any damages resulting from its reasonable delay in acting hereunder pending its examination of the additional evidence requested by it.

(f) In the event of any disagreement between the parties to this Agreement, or between any of them and any other Person, resulting in adverse claims or demands being made in connection with the matters covered by this Agreement, or in the event that the Unallocated Shares Escrow Agent, in good faith, be in doubt as to what action it should take hereunder, the Unallocated Shares Escrow Agent may at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in any such event, the Unallocated Shares Escrow Agent shall not be or become liable in any manner to any Person for its failure or refusal to act, and the Unallocated Shares Escrow Agent shall be entitled to continue to refrain from acting until: (i) the rights of all interested parties shall have been fully and finally adjudicated by a court of competent jurisdiction; or (ii) all differences shall have been adjudged and all doubt resolved by agreement among all of the interested Persons, and the Unallocated Shares Escrow Agent shall have been notified thereof in writing signed by all such Persons. Notwithstanding the preceding sentence, the Unallocated Shares Escrow Agent may in its discretion obey the order, judgment, decree or levy of any court, whether with or without jurisdiction, or of any agency of the United States or any political subdivision thereof, and the Unallocated Shares Escrow Agent is hereby authorized to obey such orders, judgments, decrees or levies. The rights of the Unallocated

Shares Escrow Agent under this subsection are cumulative of all other rights which it has by law or otherwise.

(g) Should any controversy arise between the parties hereto with respect to this Agreement or with respect to the right of the Foundations to receive the Unallocated Common Shares or any monies held in escrow, the Unallocated Shares Escrow Agent shall have the right to institute a bill of interpleader in a court of competent jurisdiction, as provided in Section 18, to determine the rights of the parties. Should a bill of interpleader be instituted, or should the Unallocated Shares Escrow Agent become involved in litigation in any manner whatsoever on account of this Agreement for the deposits made hereunder, the Foundations hereby bind and obligates themselves, their successors and assigns, to pay the Unallocated Shares Escrow Agent, in addition to any charges made hereunder for acting as Unallocated Shares Escrow Agent, reasonable attorneys' fees incurred by the Unallocated Shares Escrow Agent, and any other reasonable disbursements, expenses, losses, costs and damages in connection with and resulting from such litigation, except in the case where losses or damages result from the Unallocated Shares Escrow Agent's intentional misconduct or gross negligence.

(h) Without in any way limiting any other provision of this Agreement, it is understood and agreed that the Unallocated Shares Escrow Agent Shall be under no duty or obligation to give any notice, except as expressly provided herein.

(i) In no event shall the Unallocated Shares Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Unallocated Shares Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action, except for consequential loss or damage arising out of the Unallocated Shares Escrow Agent's own intentional misconduct or grossly negligent conduct.

Section 17. Records. The Unallocated Shares Escrow Agent shall maintain accurate records of all transactions hereunder. Promptly after the termination of the Escrow Account, or as may reasonably be requested by the Foundations and the Company from time to time before such termination, the Unallocated Shares Escrow Agent shall provide such requesting party with a complete copy of such records, certified by the Unallocated Shares Escrow Agent to be a complete and accurate account of all such transactions. The authorized representatives of the Foundations and the Company shall also have access to such books and records at all reasonable times during normal business hours upon reasonable notice to the Unallocated Shares Escrow Agent.

Section 18. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to Washington's conflict of law or choice of law rules. The parties irrevocably submit to the exclusive jurisdiction of the state and federal courts situated in King County, Washington in any proceeding relating to this Agreement, and agree that any process or summons in any such action may be served by providing to the party a copy thereof in accordance with the notice provisions of this Agreement.

Section 19. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, shall be held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision-in every other respect and of the remaining provisions contained herein, shall not be in any way impaired thereby.

Section 20. Injunctions; Specific Performance. Each party hereto acknowledges and agrees that the rights and obligations set forth in this Agreement are unique and of such a nature as to be inherently difficult or impossible to value monetarily and irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. Therefore, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which such party may be entitled at law or in equity.

Section 21. Indemnification. The Unallocated Shares Escrow Agent shall be indemnified and held harmless by the Foundations, from and against any expenses, including reasonable counsel fees and disbursements, or loss suffered by the Unallocated Shares Escrow Agent in connection with any claim or demand, which, in any way, directly or indirectly, arises out of or relates to this Agreement or the services of the Unallocated Shares Escrow Agent hereunder except in the case of gross negligence or intentional misconduct under this Agreement by the Unallocated Shares Escrow Agent. Promptly after the receipt by the Unallocated Shares Escrow Agent of notice of any demand or claim or the commencement of any action, suit or proceeding, the Unallocated Shares Escrow Agent shall notify the Foundations and the Company in writing.

Section 22. Entire Agreement. This Agreement, including any exhibits or attachments referred to herein, together with the other transaction documents set forth in Exhibit A attached hereto (collectively, the “**Transaction Documents**”), contain the entire agreement between the parties hereto regarding the subject matter hereof and may not be amended, altered or modified except by a writing signed by the parties hereto. This Agreement supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof, all of which are specifically integrated into this Agreement; *provided*, that this Agreement shall not be interpreted as superseding any of the Transaction Documents. No party hereto shall be bound by or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth herein or in the Transaction Documents; and the parties hereto further acknowledge and agree that in entering into this Agreement they have not in any way relied and will not rely in any way on any of the foregoing not specifically set forth herein or in the Transaction Documents.

Section 23. Successors. The Unallocated Shares Escrow Agent may be merged or consolidated with or into any entity or transfer all or substantially all of its assets to any entity, in which case, any entity resulting from any merger or consolidation or any entity succeeding to the

business of the Unallocated Shares Escrow Agent, shall be successor of the Unallocated Shares Escrow Agent hereunder without the execution or filing of any paper or further act by any of the parties hereto. In case at any time the Unallocated Shares Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as Unallocated Shares Escrow Agent, or if its properties and affairs shall be taken under the control of any court or administrative body because of insolvency or bankruptcy, or for any other reason a vacancy shall forthwith and ipso facto exist in the office of the Unallocated Shares Escrow Agent, a successor Unallocated Shares Escrow Agent shall be appointed by the Company. The Company may be merged or consolidated with or into any entity or transfer all or substantially all of its assets to any entity, in which case, any entity resulting from any merger or consolidation or any entity succeeding to the business of the Company, shall be successor of the Company hereunder without the execution or filing of any paper or further act by any of the parties hereto.

Section 24. Resignation. The Unallocated Shares Escrow Agent may resign at any time upon thirty (30) days' prior written notice to the Foundations and the Company, whereupon the Company shall appoint a substitute Unallocated Shares Escrow Agent and the Unallocated Shares Escrow Agent shall deliver the Unallocated Common Shares and monies held in escrow to any designated substitute Unallocated Shares Escrow Agent selected by the Company. If the Company does not designate a substitute Unallocated Shares Escrow Agent within ten (10) days, the Unallocated Shares Escrow Agent may, in its sole discretion, institute a bill of interpleader as contemplated herein or otherwise submit appropriate pleadings. Notwithstanding the immediately preceding sentence, until a substitute Unallocated Shares Escrow Agent has been named and accepts its appointment or until another disposition of the Unallocated Common Shares and monies held in the Escrow Account has been agreed upon by all the parties hereto, the Unallocated Shares Escrow Agent shall be discharged of all of its duties and obligations hereunder except to hold such Unallocated Common Shares and monies in escrow.

Section 25. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

Section 26. No Fiduciary Duty to Purported Holders. The Unallocated Shares Escrow Agent shall not be deemed to be a fiduciary or agent of any beneficial owner of Unallocated Common Shares or any other Person other than the Foundations and the Company.

Section 27. Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers, as of the date first above written.

NEW PREMIERA CORP.

By: _____
Name: _____
Title: _____

[SHARE ESCROW AGENT]

By: _____
Name: _____
Title: _____

[WASHINGTON FOUNDATION
SHAREHOLDER]

By: _____
Name: _____
Title: _____

[ALASKA FOUNDATION
SHAREHOLDER]

By: _____
Name: _____
Title: _____

EXHIBIT A

Transaction Documents

BCBSA License Agreement

Excess Share Escrow Agent Agreement

Unallocated Shares Escrow Agreement

New PBC Guaranty Agreement

PBC-AK Guaranty Agreement

Intellectual Property License Agreement

Intercompany Services and Cost Allocation Agreement

Intercompany Tax Sharing Agreement

LifeWise/New LifeWise Transfer of Assets Agreement

New Premiera Blue Cross/New Premiera Blue Cross of Alaska Management Agreement

Premiera Blue Cross/New Premiera Blue Cross Transfer of Assets Agreement

Premiera Blue Cross/New Premiera of Alaska Transfer of Assets Agreement

New PBC/PREMERA Transfer of Shares Agreement

Premiera Blue Cross Plan of Reorganization and Plan of Distribution

PREMERA/New PREMIERA Transfer of Assets Agreement

PREMERA Plan of Reorganization and Plan of Distribution

Quality Solutions/New Quality Solutions Transfer of Assets Agreement

Registration Rights Agreement

Voting Trust and Divestiture Agreements

Plan of Conversion